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SIPDIS  
SENSITIVE

STATE PLEASE PASS TO USTR FOR JENNIFER CHOE GROVES, LESLIE YANG,  
CHRISTOPHER WILSON  
STATE PLEASE PASS TO EEB/TPP/IPE FOR TOM O'KEEFE, JOELLEN URBAN,  
TIMOTHY MCGOWAN  
DEPT OF COMMERCE FOR SUSAN WILSON  
DHS PLEASE PASS TO ICE

E.O. 12958: N/A

TAGS: [IT](#) [KIPR](#) [ETRD](#) [ECON](#) [EINT](#)

SUBJECT: ITALY MAY BE READY FOR GREATER IPR COOPERATION WITH USG

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Summary  
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¶1. (U) Italy's new Intellectual Property Director has begun coordinating Italy's domestic approach to IPR protection, and a new Italian law increases penalties for IPR crimes. This recent action on IPR presents an opportunity for engagement, and Italian contacts have signaled their interest in deepening discussions about our 301 Watch List criticisms of Italy. While GOI officials are eager to engage on this issue, it should be noted that they still have complaints about the 301 process, including the assertion that not enough recognition is given for recent steps made by the GOI to protect IPR. Recent conversations with GOI officials also indicate possible sticking points with the U.S. regarding online piracy and geographic indications that may crop up in future ACTA negotiations. An IPR conference in the works for early December could provide an opportunity to bring a USG speaker who would also be able to meet with the GOI on these issues. End summary.

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Recent Work by new IP Directorate  
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¶2. (U) Econoff recently met with Loredana Gulino, Director General for IP at the Economic Development Ministry, and with Col. Marco Fanti, who is responsible for the anti-counterfeiting activities of the Directorate.

¶3. (SBU) Gulino gave an update on actions she's taken since March. She appears to have taken seriously her role of coordinating Italian domestic IPR protection efforts. She said she has the willing cooperation of the many agencies and ministries that work on the issue because she has assured them that competence for their programs remains their own. In a separate meeting, Fabrizio Mazza, head of the intellectual property office at the Ministry of Foreign Affairs, praised the work Gulino is doing and said she has embraced her role in domestic IPR protection collaboration more effectively than did the previous Anti-Counterfeiting Commissioner.

¶4. (U) The directorate has established a number of separate working groups to address the different IPR problems faced by Italy. The three principal working groups are: a public sector group, including law enforcement and magistrates; a sector interest group, including for example, internet providers, pharmaceutical industries, the film industry; and a working group for small and medium enterprises (SMEs).

¶5. (U) Gulino also said they are working closely with consumer

associations and large municipalities such as Rome and Milan. One of the sensitization campaigns the directorate has launched is in cooperation with the municipality of Rome. The campaign includes posters, and billboards and a widely distributed pamphlet written in four different languages. The office is also working closely with the 14 IPR desks at Italian embassies around the world (including China and the U.S.) which help Italian SMEs with IP issues in the host countries.

¶6. (U) Gulino and Fanti discussed new IP legislation which was recently passed as part of an omnibus economic development bill. The law provides for increased criminal penalties against counterfeiters and pushes some responsibility onto firms for online copyright violations by employees. (Post will detail the new law's provisions Septel.) While they applaud the legislation, Gulino and Fanti continue to believe that prevention and sensitization are fundamental to Italian IP protection efforts.

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The 301 Report and Collaborating with the USG  
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¶7. (SBU) Gulino said she understands that the lack of deterrent sentencing in Italy is a problem, and she acknowledged a lack of consolidated anti-counterfeiting/piracy data (both issues highlighted in the 301 Report). However, she also believes Italy may not have done a good job of informing USG of activities and progress in IPR protection. Her office is working on a report to provide improved data which they hope to issue in September.

¶8. (SBU) Gulino said the Directorate is interested in consolidating and "institutionalizing" its relationship with the USG. She

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proposes establishing a bilateral working group that would meet on a semi-regular basis ("once a year or so") to discuss bilateral and multilateral IPR issues. She would like to see the first session occur as soon as possible, possibly in the fall. She suggested that at this meeting the GOI could provide the USG information for USTR's use. The meeting could also focus on the creation of an "action plan" for 2010. [Comment: If these two things were accomplished this would respond to two requests in last year's USTR Special 301 Initiative list. Gulino's interest in moving quickly on this is a welcome change from past reaction. End comment.] Gulino also said Italy has a similar working arrangement with the French, and additionally that they have regular discussions with the Chinese and the Japanese.

¶9. (SBU) In a separate meeting Mazza expressed continued frustration with the USG's 301 Review process saying "no matter what we do, the report is the same." In particular he said GOI officials were disappointed that the demarche language provided regarding the 2009 301 Report differed significantly from the language in the actual report. He did, however, express interest in meeting directly with USTR representatives to speak about IPR protection in Italy.

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ACTA and GI's: On or Off the Table?  
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¶10. (SBU) Mazza said in future Anti-Counterfeiting Trade Agreement (ACTA) negotiations it would be important to discuss provisions concerning online piracy. He said Italy was disappointed with USG opposition to including a provision on Internet use on public networks in the Intellectual Property Experts Group declaration during the G8. He said Italy believes strongly that ACTA must go farther than TRIPS and that Internet Piracy provisions should be a part of ACTA. If this fails to occur, he said Italy may decide to bring up Geographic Indications (GIs) for discussion. He said Italy understands this is an issue the U.S. does not wish to discuss, but that it is important for ACTA to include online piracy or GIs in order to be an appropriate next step forward from TRIPS.

¶11. (U) Gulino also brought up GIs. She said Italy understands that it is a very contentious issue with the U.S. but said she hopes that if addressed within the framework of a larger discussion (and not

only "occasionally as the matter arises") maybe common ground could be found.

COMMENT/SPEAKING OPPORTUNITY

¶12. (SBU) Post is pleased to see signs of life on Italian IPR, but we recognize that only real action by Italians will ease the legitimate concerns of U.S. IP owners. We think it a good time to push for more action. An upcoming conference, sponsored by LUISS University with participation by the Embassy, could provide a good opportunity to bring a USG speaker to Italy for bilateral meetings. This would help deny the GOI the ability to claim that the USG is not listening to their concerns, and could also lead to increased cooperation on the IP front. Post is working with USTR in an effort to arrange a speaker. THORNE